

Message Text

CONFIDENTIAL

PAGE 01 MANILA 13337 031029Z
ACTION EA-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-03
INR-10 NSAE-00 ICA-11 TRSE-00 XMB-02 OPIC-03
SP-02 LAB-04 SIL-01 OMB-01 L-03 CEA-01 SS-15
STR-07 /089 W
-----071603 040205Z /66

R 030743Z AUG 78
FM AMEMBASSY MANILA
TO SECSTATE WASHDC 9541
INFO AMEMBASSY TOKYO

C O N F I D E N T I A L MANILA 13337

E.O. 11652: GDS
TAGS: EGEN, EINV, ETRD, JA, RP
SUBJECT: FIFTH ROUND OF RP/JAPANESE ECONOMIC NEGOTIATIONS

REF: (A) 77 MANILA 4564 OF 3/29/77, (B) 77 MANILA 10489
OF 7/8/77, (C) 77 MANILA 16737 OF 10/20/77, (D) MANILA
1662 OF 1/31/78

1. SUMMARY. FIFTH ROUND OF RP/JAPANESE ECONOMIC NEGOTIATIONS TOOK PLACE JULY 11 TO 14 IN MANILA AND PRODUCED AN AMALGAMATED DRAFT TEXT WITH BRACKETS. OLD ISSUES REMAIN -- INVESTMENT, DUTY FREE AND FREE ACCESS OF PHILIPPINE EXPORTS, EQUITABLE SHARING IN SHIPPING, MARINE POLLUTION, AND PROVISIONS FOR ASEAN AND U.S. SPECIAL RELATIONSHIP. GOP HOPES SIXTH ROUND WILL BE HELD IN AUTUMN IN TOKYO, WHILE GOJ SEES NO REASON FOR MEETING UNLESS THE PHILIPPINES TAKES A MORE "FLEXIBLE ATTITUDE" ON ASEAN AND U.S. SPECIAL RELATIONSHIP. END SUMMARY.

2. AFTER THREE DAYS OF DISCUSSIONS THE FIFTH ROUND OF THE RP/JAPANESE ECONOMIC NEGOTIATIONS ENDED ON JULY 14 WITH AN AMALGAMATED DRAFT TEXT OF A SUCCESSOR AGREEMENT WITH PROTOCOL TO THE TREATY OF AMITY, COMMERCE AND NAVI-
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 MANILA 13337 031029Z

GATION. DRAFTS HAVE EXTENSIVE BRACKETS REFLECTING GOP POSITION (IN SMALL LETTERS) AND GOJ POSITION (IN CAPS). DRAFT TREATY BEING POUCHED EA/PHL. NEGOTIATING PANELS WERE HEADED, AS IN FOURTH ROUND, BY AMBASSADOR PABLO SUAREZ AND DEPUTY DIRECTOR GENERAL TAKEHIKO NISHIYAMA.

3. ALTHOUGH MUCH VERBIAGE HAS BEEN DROPPED AND G-77

RHETORIC HAS BEEN MODIFIED INTO MORE ACCEPTABLE LANGUAGE, THE LEITMOTIV REMAINS THE GOP DESIRE FOR SPECIAL AND PREFERENTIAL TREATMENT AS A DEVELOPING COUNTRY. PREAMBLE, FOR EXAMPLE, NOW HAS ONLY ONE BRACKETED PHRASE, "HAVING REGARD TO THEIR INTERNATIONAL RIGHTS AND OBLIGATIONS" WHICH THE GOP HAS EXPLAINED REFLECTS "THE DIFFERENTIATED POSITION AND TREATMENT OF DEVELOPED AND DEVELOPING COUNTRIES IN WORLD TRADE, AS RECOGNIZED AND ACCEPTED IN VARIOUS INTERNATIONAL FORA." NEEDLESS TO SAY, THE JAPANESE HAVE REFUSED TO ACCEPT THE PHRASE.

4. OLD ISSUES REMAIN. JAPANESE ARE MAINTAINING THEIR POSITION ON NATIONAL TREATMENT OF INVESTMENT IN A NEW ARTICLE V(A). SEE MANILA 16738 OF OCTOBER 20, 1977. THIS IS PROBABLY A NEGOTIATING POSITION, AND THE JAPANESE WILL LIKELY DROP THIS ARTICLE IF THE PROSPECTS OF AGREEMENT ON OTHER PROVISIONS ARE FAVORABLE.

5. ON DUTY FREE AND FREE ACCESS OF PRODUCTS OF EXPORT INTEREST TO THE PHILIPPINES, BOTH SIDES ARE SEEKING IMAGINATIVE FORMULATIONS WHICH COULD BRING THEM TOGETHER. GOP-PROPOSED NEW LANGUAGE IN THIS ARTICLE VI READS, "THE TWO GOVERNMENTS WILL COOPERATE WITH EACH OTHER IN THEIR EFFORTS TO FURTHER DEVELOP AND STRENGTHEN TRADE BETWEEN THEM ON AN EQUITABLE AND STABLE BASIS." JAPANESE DISSENTED, PARTICULARLY AS EXPLANATORY PROVISIONS IN A CONFIDENTIAL

CONFIDENTIAL

PAGE 03 MANILA 13337 031029Z

SIDE EXCHANGE STILL REMAIN TOO EXPLICIT.

6. ON SHIPPING IN ARTICLE VIII, THE PHILIPPINES IS STILL INSISTING ON "EQUITABLE SHARING IN THE CARRIAGE OF CARGOES" WHICH THE JAPANESE CONTINUE TO FIND OBJECTIONABLE. THE JAPANESE ALSO REFUSED TO ACCEPT DIRECT GOVERNMENTAL LIABILITY FOR MARINE POLLUTION CAUSED BY ITS FLAG VESSELS (ARTICLE IX) AND PROPOSED INSTEAD THE DEVELOPMENT OF INTERNATIONAL LAW TO HANDLE THE PROBLEM.

7. FINALLY, THE PHILIPPINES IS CONTINUING ITS POSITION OF EXCLUDING JAPAN FROM THE BENEFITS OF ANY PREFERENTIAL ARRANGEMENTS ESTABLISHED WITH ASEAN AND THE UNITED STATES (ARTICLE XI). PROVISIO ON A POSSIBLE U.S. SPECIAL RELATIONSHIP READS AS FOLLOWS: "SPECIAL PREFERENCES AND ADVANTAGES ACCORDED BY THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES TO ANOTHER COUNTRY IN REPLACEMENT OF PREVIOUSLY EXISTING PREFERENCES OR ADVANTAGES."

8. THE JAPANESE HAVE TOLD THE GOP FRANKLY THAT UNLESS THE GOP TAKES A MORE "FLEXIBLE ATTITUDE" ON THE ASEAN AND UNITED STATES PREFERENTIAL QUESTIONS, THE GOJ PER-

CEIVES NO REASON TO PARTICIPATE IN A FUTURE MEETING.
THE GOP HAS EXPRESSED A DESIRE FOR THE SIXTH ROUND IN
AUTUMN IN TOKYO. MURPHY

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC CONDITIONS, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 03 aug 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978MANILA13337
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780318-1248
Format: TEL
From: MANILA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t197808103/aaaadies.tel
Line Count: 119
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: bb140358-c288-dd11-92da-001cc4696bcc
Office: ACTION EA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 77 MANILA 4564, 77 MANILA 10489
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 04 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1548929
Secure: OPEN
Status: NATIVE
Subject: FIFTH ROUND OF RP/JAPANESE ECONOMIC NEGOTIATIONS
TAGS: EGEN, EINV, ETRD, JA, RP
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/bb140358-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014